



Serving those who serve South Carolina

Get Set for Retirement: Insurance

2018



Important information

- This overview is not meant to serve as a comprehensive description of the benefits offered by the South Carolina Public Employee Benefit Authority.
- For detailed information, refer to the [Insurance Benefits Guide](#) and the [Retiree Insurance Packet](#), available at www.peba.sc.gov.



Topics to cover

- Retiree insurance eligibility.
- Retiree enrollment and eligible dependents.
- Survivor insurance.
- Open enrollment.
- Retiree health plans.
- Returning to work.
- Prescription coverage.
- Dental coverage.
- State Vision Plan.
- Life insurance.
- Long term disability insurance.
- MoneyPlus.
- MyBenefits.



Retiree insurance eligibility



Retiree group insurance

- Eligibility for retirement is not the same as eligibility for retiree group insurance.
- Insurance benefits and retirement benefits have different requirements.
- Before you retire, contact PEBA to verify your eligibility for retiree group insurance.
- Only PEBA can verify your eligibility.

Insurance requirements for all participants



- The employee must serve the last five years consecutively in a full-time, permanent position with an employer participating in the State Health Plan.
- This presentation gives eligibility based on earned service credit. This is either:
 - Time earned and established in one of the PEBA's defined benefit pension plans;
 - Time worked while participating in State ORP; or
 - Time worked for an employer that participates in the State Health Plan, but not PEBA's retirement plans.
- Earned service credit generally does not include purchased service credit.

Reminder: Eligibility for unreduced SCRS benefit



- Class Two:
 - 28 years total, five years earned; or
 - Age 65, five years earned.
- Class Three:
 - Rule of 90: Age and years of service add up to 90, eight years earned; or
 - Age 65, eight years earned.
- Disability.

For employees hired into an insurance-eligible position before May 2, 2008



Retirees of state agencies, higher education institutions and public school districts¹

Retirement status	Earned service credit with an employer participating in the State Health Plan	Responsibility for paying for premiums
Left employment after reaching retirement eligibility	5 years, but fewer than 10 years	You pay the full premium (employee and employer share).
	10 or more years	You pay the employee share of the premium only.
Left employment before reaching retirement eligibility	Fewer than 20 years	Not eligible for retiree insurance coverage.
	20 or more years	You pay the employee share of the premium only.

¹ The employee must serve the last five years consecutively in a full-time, permanent position with an employer participating in the State Health Plan.

For employees hired into an insurance-eligible position before May 2, 2008



Retirees of local subdivisions¹

Retirement status	Earned service credit with an employer participating in the State Health Plan	Responsibility for paying for premiums
Left employment after reaching retirement eligibility	At least 5 years	Your portion of the premium, up to the full amount of the employee and employer share, is at your employer's discretion.
Left employment before reaching retirement eligibility	Fewer than 20 years	Not eligible for retiree insurance coverage.
	20 or more years	Your portion of the premium, up to the full amount of the employee and employer share, is at your employer's discretion.

¹ The employee must serve the last five years consecutively in a full-time, permanent position with an employer participating in the State Health Plan.

For employees hired into an insurance-eligible position on or after May 2, 2008



Retirees of stage agencies, higher education institutions and public school districts¹

Retirement status	Earned service credit with an employer participating in the State Health Plan	Responsibility for paying for premiums
Left employment after reaching retirement eligibility	5 years, but fewer than 15 years	You pay the full premium (employee and employer share).
	15 years, but fewer than 25 years	You pay the employee share of the premium and 50% of the employer share of the premium.
	25 or more years	You pay the employee share of the premium only.
Left employment before reaching retirement eligibility	Fewer than 20 years	Not eligible for retiree insurance coverage.
	20 years, but fewer than 25 years	You pay the employee share of the premium and 50% of the employer share of the premium.
	25 or more years	You pay the employee share of the premium only.

³ The employee must serve the last five years consecutively in a full-time, permanent position with an employer participating in the State Health Plan.

For employees hired into an insurance-eligible position on or after May 2, 2008



Retirees of local subdivisions¹

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Left employment before reaching retirement eligibility	Fewer than 20 years	Not eligible for retiree insurance coverage.
	20 or more years	Your portion of the premium, up to the full amount of the employee and employer share, is at your employer's discretion.

¹ The employee must serve the last five years consecutively in a full-time, permanent position with an employer participating in the State Health Plan.



55/25 year rule

- If you are a Class Two member of SCRS who retires under the 55/25 early retirement provision, you must pay the full premium (employee and employer share) until:
 - You reach age 60; or
 - The date you would have reached 28 years of service credit had you not retired, whichever occurs first.

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Retiree enrollment and eligible dependents



Retiree enrollment

- Submit an [Employment Verification Record](#) as early as six months prior to your retirement date.
 - This starts the process PEBA uses to determine your eligibility for retiree insurance and any possible funding.
- If PEBA determines you are eligible for retiree insurance, you must submit the following within 31 days of retirement:
 - [Retiree Notice of Election](#) form; and
 - [Certification Regarding Tobacco Use](#), if applicable.
- If you do not submit an *Employment Verification Record* prior to your retirement, you must do so within 31 days of your retirement.



Retiree enrollment

- *Retiree Insurance Packet* includes the forms: www.peba.sc.gov/assets/retireepacket.pdf.
- Forms are also available from your benefits office.
- You must submit documentation at the time of enrollment for all new dependents added to coverage.

Eligible spouse dependents



- Retiree cannot cover a spouse in cases in which the spouse is eligible for coverage as an employee.
- Retiree cannot cover a spouse who is eligible for coverage as a retiree unless the spouse is eligible for only non-funded or partially funded insurance, or the spouse retired from a local subdivision.



Eligible child dependents

- Generally, must be younger than age 26. A child older than 26 who is incapacitated and for whom you are financially responsible can also be covered.
- Can be natural child, adopted child or child placed for legal adoption, stepchild or foster child. Can also include child for whom you have legal custody or are court ordered to provide insurance.
- A child who is under age 26 but employed by a PEBA-insurance-participating employer can enroll as an employee or dependent child.

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Survivor insurance



Insurance coverage

- Surviving spouse or child may be eligible for survivor coverage as long as he:
 - Was covered as a dependent at time of subscriber's death;
 - Remains an eligible dependent (surviving spouses who remarry are not eligible); and
 - Pays the premium.



Premiums

- For survivors of retirees who receive state funding toward their premiums and active employees:
 - State Health Plan premiums are waived for one year.
 - Afterward, the survivor pays the full premium.
- Survivors of non-funded retirees pay full cost of premiums. One-year waiver is not available.
- Local subdivisions set their own premium rules.



Open enrollment

Occurs each year in October

Open enrollment options available every year



- Enroll in, drop or change health plans.
- Enroll in or drop the State Vision Plan.
- Add or drop dependents from health and vision coverage.

Open enrollment options available in odd-numbered years only



- Enroll in or drop State Dental Plan and/or Dental Plus.
- Add or drop dependents from State Dental Plan and/or Dental Plus.
- To enroll in Dental Plus, you must enroll in the State Dental Plan and cover the same family members under both plans.



Retiree health plans

Non-Medicare-eligible options



- State Health Plan Standard Plan.
- State Health Plan Savings Plan.
 - No pretax contributions to a Health Savings Account (HSA) available.
- TRICARE Supplement Plan
 - For eligible members of the military community.
 - TRICARE rules apply.
 - Coverage ends at 65.



Medicare-eligible options

- State Health Plan Standard Plan.
- Medicare Supplemental Plan.
- See [Insurance Coverage for the Medicare-eligible Member](#) for detailed information.

Automatic enrollment in the Medicare Supplemental Plan



- Enrollment into the Medicare Supplemental Plan is automatic at age 65 for those who participate in the State Health Plan.
- PEBA will send you a notification three months before your 65th birthday.
- You can choose to opt out of the Medicare Supplemental Plan.
- As long as you are not working in an insurance-eligible position on active coverage, Medicare will be primary whether or not you opt out. If you remain with the Standard Plan in retirement, Medicare will still pay first toward your expenses.

Medicare and the TRICARE Supplement Plan



- If enrolled in the TRICARE Supplement Plan, you can cancel or switch health coverage once Medicare-eligible.
- TRICARE becomes TRICARE for Life, a Medicare supplement.



Enrolling in Medicare

- Once eligible, you should enroll in Medicare Parts A and B.
- The Medicare enrollment period begins three months before your 65th birthday.
- If you are receiving Social Security, the Social Security Administration will contact you and enroll you automatically. Otherwise, you must contact Social Security to enroll.

Becoming Medicare-eligible before age 65



- You must notify PEBA and provide a copy of your Medicare card.
- You can change health plans within 31 days of Medicare eligibility.

Current Medicare card

MEDICARE HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY
JOHN DOE

MEDICARE CLAIM NUMBER **000-00-0000-A** SEX **MALE**

IS ENTITLED TO **HOSPITAL (PART A)** EFFECTIVE DATE **01-01-2007**
MEDICAL (PART B) **01-01-2007**

SIGN HERE →

New Medicare card

MEDICARE HEALTH INSURANCE

Name/Nombre
JOHN L SMITH

Medicare Number/Número de Medicare
1EG4-TE5-MK72

Entitled to/Con derecho a **HOSPITAL (PART A)** Coverage starts/Cobertura empieza **03-01-2016**
MEDICAL (PART B) **03-01-2016**



2018 Medicare benefits¹

- There is no Medicare or Medicare Supplemental Plan coverage outside U.S. and U.S. territories.

Part A (hospital benefits)	Part B (medical benefits)
<ul style="list-style-type: none">• \$1,340 deductible per benefit period• No monthly premium if enough work credits established	<ul style="list-style-type: none">• \$183 annual deductible• \$134 (average monthly premium as determined by Medicare)• Plan pays 80 percent of approved charges

¹Medicare deductibles are subject to change.

2018 Medicare Supplemental Plan benefits¹



- Pays Medicare Part A deductible (\$1,340).
- Pays Medicare Part B deductible (\$183).
- Pays Medicare coinsurance, up to 100 percent of Medicare-approved charges.
- Offers no coverage outside the U.S.
- Includes prescription drug benefit.
- Claims for non-Medicare subscribers are processed under the Standard Plan.

¹Medicare deductibles are subject to change.

2018 Medicare Supplemental Plan benefits example¹



\$7,500 Hospital bill

- 1,340 Medicare Part A deductible

\$6,160 Medicare pays

\$1,340 Remaining balance

- 1,340 Medicare Supplemental Plan pays Part A deductible

\$0 Retiree pays

¹Medicare deductibles are subject to change.

2018 Standard Plan benefits with Medicare



- State Health Plan offers worldwide coverage.
- Includes prescription drug benefit.
- Uses carve-out method. You pay State Health Plan deductible and coinsurance or the balance of the bill, whichever is less.

2018 Standard Plan benefits with Medicare example¹



State Health Plan without Medicare

\$7,500	Hospital bill
- 445	State Health Plan deductible
<hr/>	
\$7,055	State Health Plan liability
× 80%	State Health Plan coinsurance
<hr/>	
\$5,644	State Health Plan pays
\$445	Retiree pays deductible

Medicare as primary payer

\$7,500	Hospital bill
- 1,340	Medicare Part A deductible
<hr/>	
\$6,160	Medicare pays
\$1,340	Retiree pays deductible

State Health Plan pays nothing because Medicare paid more than the State Health Plan would have paid in the absence of Medicare

State Health Plan with carve-out

\$5,644	State Health Plan without Medicare
- 6,160	Medicare pays
<hr/>	
\$0	State Health Plan pays
\$1,340	Retiree pays deductible

¹Medicare deductibles are subject to change.

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Prescription coverage

Medicare Part D drug program



- Most subscribers covered by PEBA should remain enrolled in Express Scripts Medicare. This is the State Health Plan's Medicare Part D drug program.
- Subscribers may only have one Part D plan. If you enroll in a separate Part D program, you lose PEBA prescription benefits.
- Learn more in the [*Insurance Benefits Guide*](#) or contact Express Scripts.

Medicare Supplemental Plan and Standard Plan prescription benefits¹



Copayment maximum: \$2,500 per person, then Plan pays 100 percent until end of calendar year.

Network pharmacy (31-day supply)	Mail-order pharmacy (90-day supply)
<ul style="list-style-type: none">• Tier 1 (generic): \$9• Tier 2 (preferred brand): \$38• Tier 3 (non-preferred brand): \$63	<ul style="list-style-type: none">• Tier 1 (generic): \$22• Tier 2 (preferred brand): \$95• Tier 3 (non-preferred brand): \$158

¹State Health Plan deductibles, copayments and coinsurance maximums will change January 1, 2019..



Dental coverage

State Dental Plan and Dental Plus



- Enroll within 31 days of retirement or special eligibility situation.
- Enroll during open enrollment in odd-numbered years.
- Once enrolled, must remain enrolled until:
 - Next odd-numbered year open enrollment period; or
 - Within 31 days of a special eligibility situation.

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State Vision Plan



State Vision Plan

- Enroll within 31 days of retirement or special eligibility situation.
- May enroll in or drop during open enrollment.



Life insurance

\$3,000 basic life insurance



- Must have been enrolled in a health plan offered through PEBA at time of retirement.
- Can convert to a whole life policy within 31 days of retirement date.
- Premiums quoted and billed by contracted vendor, MetLife.
 - Retirees receive the conversion forms directly from MetLife.



Optional life insurance

- Can convert existing coverage to a whole life policy within 31 days of retirement.
- Can continue existing coverage within 31 days of retirement.
 - Continue coverage in \$10,000 increments.
 - Retiree coverage ends the January 1 following the retiree's 75th birthday.



Optional life insurance

- Premiums:
 - Retirees continuing coverage will pay the same premium as active employees.
 - Converted policy premiums are underwritten individually by MetLife.
 - Retirees will receive the continuation and/or conversion forms directly from MetLife.



Dependent life insurance

- Can convert existing coverage to a whole life policy within 31 days of retirement.
- Premiums quoted and billed by contracted vendor, MetLife.
 - Retirees will receive the conversion forms directly from MetLife.



Long term disability insurance



Long term disability

- Basic long term disability:
 - Available only to active employees enrolled in the State Health Plan.
 - Ends at retirement.
 - Cannot be converted to an individual policy.
- Supplemental long term disability:
 - Available only to active employees.
 - Ends at retirement.

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MoneyPlus



MoneyPlus

- Not available in retirement.
- Retirees not eligible for Medicare may continue Health Savings Account contributions, but not through MoneyPlus.



Returning to work

Returning to work for participating employer



- If you return to active employment with a participating employer, you must elect active health insurance coverage.
- You may elect active Optional Life coverage in lieu of continued or converted coverage, participate in MoneyPlus, and elect Supplemental Long Term Disability coverage.
- If you are Medicare-eligible, the State Health Plan will become primary, paying claims before Medicare.
 - Drop Medicare Part B when returning to active coverage.
 - Once active employment ends, Medicare becomes primary.



Retired member benefits review



Benefits options

- Health, dental and vision coverage.
- \$3,000 basic life insurance.
 - Convert coverage only.
 - Billed by contracted vendor.
- Optional life insurance.
 - Continue or convert.
 - Billed by contracted vendor.
- Dependent life insurance.
 - Convert coverage only.
 - Billed by contracted vendor.

Your benefits office in retirement



- State agency, school district and higher education retirees:
 - PEBA will be your benefits administrator.
 - Premiums may be deducted from your retirement check.
- Local subdivision retirees:
 - Your former employer will remain your benefits administrator.
 - You will pay premiums through your former employer.



Reminders

- You are responsible for your benefits.
- Enrollment is not automatic.
- Submit an *Employment Verification Record* up to six months before your retirement date so PEBA can determine if you're eligible for retiree insurance and any possible funding.
- If you're eligible for retiree insurance, submit *Retiree Notice of Election* and other documents within 31 days of retirement or when approved for disability.

MyBenefits



- Available 24/7 at www.mybenefits.sc.gov.
- Subscribers can:
 - Make changes during open enrollment;
 - Review benefits statement;
 - Upload supporting documentation;
 - Update life insurance beneficiaries;
 - Add a newborn to coverage; and
 - Change contact information.

The screenshot shows the PEBA (South Carolina Public Employees' Benefit Authority) MyBenefits portal. The header includes the PEBA logo, the tagline "Serving those who serve South Carolina", and links for "Contact us", "peba.sc.gov", and "Browser Support". The main heading is "MyBenefits - A Better Way to Manage Your Benefits". Below this, a paragraph states: "MyBenefits is the fastest, most convenient way for subscribers covered by PEBA Insurance Benefits to manage their benefits." A bulleted list highlights three features:

- Fast** - View, change or update information online
- Convenient** - Get information from any computer, day or night
- Secure** - Enjoy the peace of mind that comes with knowing your information is always secure

 A line of text follows: "Enroll in MyBenefits today and start managing your insurance information." The interface is divided into two main sections: "First time user enroll now." and "Already registered?". The "First time user enroll now." section contains a "Register" button and a link "Click here to register", along with a small photo of a smiling woman. The "Already registered?" section contains three input fields: "Enter Benefits Identification Number:" (with a question mark icon), "Enter the last four digits of your SSN:" (with a question mark icon), and "Enter your password:" (with a question mark icon). Below these fields are links for "Forgot/Reset password" and "Get my BIN", and a "Sign In" button. At the bottom, a footer contains copyright information: "©2012 South Carolina Public Employees Benefit Authority - All Rights Reserved", and links for "Privacy Policy", "Legal Disclaimer", "HIPAA", and "MoneyPlus/FBMC Web site".



Contact us

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